Transformation Partners

Changing Organizations
=
Changing
Executive Performance

Using the RAP Framework
To Introduce Change
into the Performance of the
Executives in an Organization

The Widget Corporation
(An Illustrative Example)

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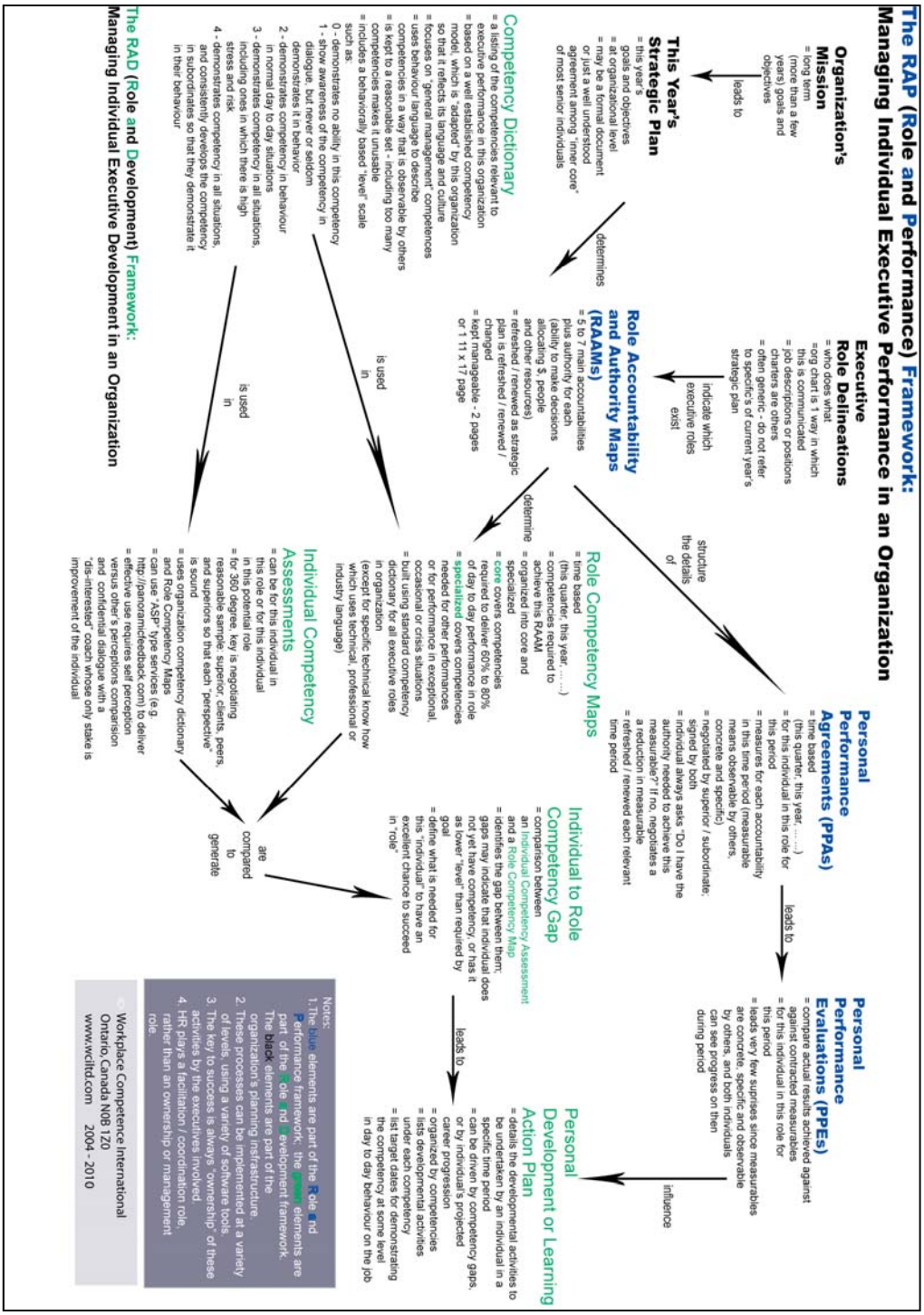
The RAP/RAD Framework



Abstract

RAP (**R**ole **a**nd **P**erformance) and **RAD** (**R**ole **a**nd **D**evelopment) are two linked frameworks for managing performance and individual competency development in organizations. Both frameworks help a change leader introduce significant change into an organization.

The **RAP** (**R**ole and **P**erformance) Framework addresses individual performance. The **RAD** (**R**ole **a**nd **D**evelopment) Framework addresses individual development. This paper describes how to use the RAP framework to introduce change into the organization by changing the performance of the senior executive.

The RAP framework is solidly grounded in the psychology of organizations, and is based on insights from two leading organizational psychologists: Kark Weick and Edgar Schein. It translates their understandings about organizational behavior into pragmatic activities, which a leader can use to introduce significant change into an organization.

RAP is not just based on their leading edge concepts. It also incorporates the experiences from a number of successful and unsuccessful major organizational change efforts. Both have made significant contributions. The successful ones have shown what works, and the unsuccessful ones have shown what does not work.

As a result, RAP looks and feels like a framework about executive performance. Its language is the day-to-day workplace language of role, accountability, authority, results, deliverables, and measures. As a result, it has immediate face credibility with individuals. Underneath this surface, RAP works to change personal “role meaning maps”. It shapes the “interlocked patterns of behavior” and the “smart habits” that structure the working relationships between superiors and their subordinates, and among a group of subordinate peers.

This paper is structured into three sections. The Introduction provides the concept and experience background for RAP, and describes its benefits. Section One describes RAP in abstract, general terms. Section Two describes RAP practically, as it is applied in a concrete case, the Widget organization.

Introduction: The RAP Framework and Its Critical Success Factors

Making Change in Organizations

Making change in an organization is not an easy task. Making effective change requires a coordinated approach to upgrading processes, tools, and people. (See http://www.wciltd.com/about_us/ppt_framework.htm for a summary of WCI's PPT – **People, Process, and Tools** change management framework.)

Before change agents can address the new activities that senior individuals must implement, they must help these key players change their "mental maps" of their roles. People operate out of an almost unconscious map that tells them what the normal way to behave at work is, and what they are expected to do in their work roles. They are not consciously aware of these mental maps on a moment-to-moment basis. Instead, they have "smart habits" that allow them to respond immediately to events and the behaviors of others. Without these smooth, in the moment responses, people could not reach the levels of immediacy that we experience in interpersonal interactions in the work places.

"Mental maps" are crucial to our day-to-day effective functioning at work. They operate below the level of aware consciousness.[1] If we had to consider each action that we take at work consciously, we could never respond smoothly to the others with whom we interact. Interaction between people would disintegrate into short periods of conversation followed by a longer period of silence while individuals thought through how they should respond. We all know that things are not like that at work. People respond to others immediately, in real time. The mental maps that we have about our own and others' roles in the organization allow us to do this. They are part of a human capability to interact with others that has evolved over a long period of tribal interaction in our species' history, during which we acquired the ability to interact spontaneously in groups.

Useful as these mental maps are for our day-to-day interaction, they are a problem for the organizational change agent. Change agents must take people through a process that changes the mental maps they have of their roles and their expected performances. Otherwise, they will not carry out the activities needed to implement change in the organization.

[1] See two classic books in the psychology of the work place if you are interested in understanding the social psychology which underlies the concepts of "mental maps, "interlocked patterns of repetitive behavior", and "smart habits": Karl Weick, "The Social Psychology of Organizing" Addison Wesley, 1969 and Edgar H. Schein, "Organizational Psychology, Prentice Hall, 2nd edition, 1970.

Although this need is especially pressuring in organizations undergoing dramatic change, it is becoming the norm in all organizations that respond to a changing external environment. More and more, organizations need to find ways to help individuals adjust their mental maps, not only the maps of their broad roles in the organization, but also the immediate performance expected of them within their roles in specific timeframes.

Changing the "Mental Maps" of the Senior Executives

At times of dramatic organizational change, changing the "mental maps" of the senior executives is the single most crucial step. The executives are the people who will implement the change in a day-to-day way in the organization. They are the ones who provide the leadership that exploits new technologies or tools and implements new business processes. They inspire, motivate, orient, and direct the people who make the change real on a day-to-day basis throughout the organization.

Many change leaders change the "mental maps" of the senior executives by changing out the individuals who are the senior executives. They fire and hire to accomplish this crucial step. They do this to bring new approaches, new abilities, and needed experience into the organization.

However, changing all, or most, of an executive team can traumatize the people lower down in the organization. They experience the change as a threat. Instead of embracing the change whole-heartedly, they become focused on personal survival. They do not see the change at the top as positive. They experience it as negative – as personality-driven disruption at the senior levels. The dramatic replacement of the members of the executive team may actually sow the seeds that eventually choke out the leader's change efforts.

We all know the stories about charismatic, "parachuted in", change leaders in the 1990s who swapped out all, or most, of the incumbent executive team early in their tenure. Many of them did not achieve the changes they said they would, largely due to the resistance this dramatic change in the executive team produced lower down in the organization. As a result, these leaders were themselves replaced by a less dramatic individual, who focused on "healing" the organization.

Organizational Change in the 21st Century

This dramatic style of organizational change will not be as suitable to the 21st century. Changing demographics are intensifying the competition for both competent executives and organizational workers. Change leaders will need to

find effective ways of changing the “mental models” of executives that do not depend on simply changing out the current incumbents in senior roles.

The Widget Corporation example describes one process for accomplishing this type of change. It is based on the psychological dynamics of individuals and groups in the workplace. However, the process does not use terms such as “mental maps” or “psychological contracts” or “inter-locked patterns of repetitive behavior”[2]. Instead, **this process uses structured dialogue about accountabilities, authority, and performance measures to change people’s internal models of what they are expected to do in an organization.** This process succeeds because it uses dialogue, structured into a series of progressive steps, to engage individuals in a way that allows them to change their internal maps for themselves. It allows the individuals involved to coordinate their internal maps in a way that re-establishes new smart habits.

The Role of Dialogue and Structured Process

Dialogue is not always easy. Difficult, high stake conversations are part of this structured change process. Such conversations require dialogue skills that exceed those that most of us use in day-to-day, well-motivated, relatively low stress work place situations. Neutral, 3rd party dialogue facilitators are needed to help these dialogues come to resolution. These dialogue facilitators need to be able to manage the exchange between others in a way that retains their trust and confidence at a time when people may be in deep dispute with one another.

Dialogue alone is not enough to accomplish this level of organizational change. A disciplined process is also required. This process is a “how to” activity map that everyone will follow. It guides expectations about who will do what and when, sets boundaries and provides concrete examples of what will be achieved. Discipline results from following the steps in the process, and doing what is required, at the time that it is required. The process aligns the changed understanding that each individual has of his or her own role, and of the roles of the others. This understanding leads to new “mental maps” that create the smart habits that the individuals use in interacting with each other, and with the other people in the organization.
It allows them to implement the coordinated change throughout the organization.

The RAP process described evolved over several years. It incorporates the best practices from several organizational change experiences.

[2] These are the terms used by organizational psychologists like Weick and Schein to describe the underlying organizational dynamics.

The Widget case that follows is the beginning of the story of such organizational change. Widget Corporation does not actually exist. It is an amalgamation of several organizations' change experiences. Its purpose is to allow you to see, concretely, this process in action. Its intent is to illustrate what things actually work in this change process.

Readiness for Change

Not all organizations are ready for the kind of change that is described in the following pages. The dialogue and the process that is described in the Widget case leads to a level of open accountability that some individuals find constricting and hard to live with. The willingness of the organization, and the senior change leader, to work through these issues is a first critical success factor that must be met for this approach to work.

The second critical success factor is the presence of a facilitating individual, or individuals, who can manage and produce dialogue at the level needed. This person may exist in-house. More likely, this individual is an external consultant engaged by the sponsoring change leader to manage and to facilitate this process. External dialogue managers are more likely to have the level of dialogue facilitation skill required. They do not have any "commitment" to older ways of doing things that people in the organization have to leave behind as they implement the needed change.

Many organizations also believe that "tools", especially "software" tools, are a critical success factor in this type of organizational change. Software tools may contribute, especially when the change process is taken down deep into the lower levels of the organization. However, the approach described in the following pages can be made to work with the clever use of word processing. Managed dialogue and process discipline are contributors that are far more important. Without them, the best of tools will not lead to successful change

This document is organized into two main sections. Section One describes the RAP (**R**ole **a**nd **P**erformance) Framework in a conceptual way. Section Two presents the Widget story.

1.0 The RAP Framework– A Process for Disciplined Performance Improvement

The diagram on the next page presents the RAP (**R**ole **a**nd **P**erformance Framework) process model, the RAD (**R**ole **a**nd **D**evelopment) process model, and illustrates their relationship. The RAP Framework is used to help members of the executive team change their mental maps of their roles, and the performance expected of them. The RAD Framework is used to help individuals get feedback on their competencies, and create individual development (or learning action) plans. Each framework can be used independently, or they can be used in tandem, in an organization. (The RAD Framework is beyond the scope of this document. It is included because of its importance to the long-term effectiveness of the organization, and its obvious relationship to the RAP process framework. Its elements have green headings on the schematic of the process.)

The RAP process may be introduced into an organization as part of a change in organizational leadership, or in response to changing external pressures. It needs strong sponsorship when it is first introduced. If it is implemented effectively, RAP becomes the normal way of viewing and managing performance. The activities that make up RAP become part of the "mental map" of everyone in the organization. People simply expect to do them, because that is the way "we do things here".

There are 2 types of elements in the RAP model:

- Organizational Infrastructure Elements, and
- Executive Performance Management Elements.

Each will be briefly described in turn.

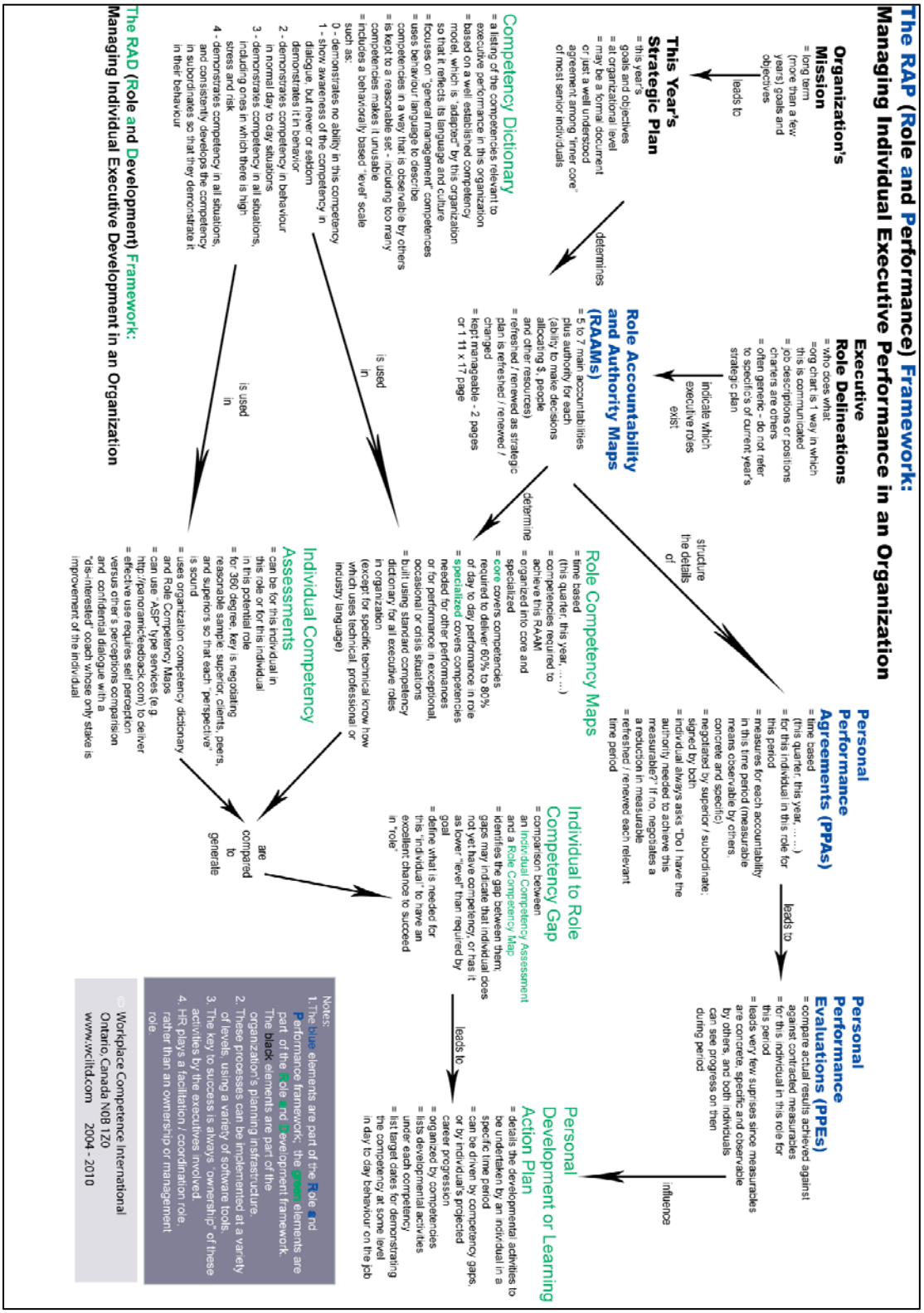
The Executive Performance Management elements are the core of the "mental map change" process. They are essential to the type of organizational change that we are addressing in this document.

1.1 Organizational Infrastructure Elements

The RAP process assumes that the organization already has the following infrastructure elements in place. (The black headings in the model on the next page indicate these elements.)

A **Mission** statement that clarifies the general goal and objectives of the organization for people inside and outside the organization. Mission

statements tend to be stable over several years, and are relatively short (usually less than a page).


The RAP (Role and Performance) Framework:
Managing Individual Executive Performance in an Organization
Organization's Mission
= long term (more than a few years) goals and objectives
leads to
This Year's Strategic Plan
= this year's goals and objectives
= at organizational level
= may be a formal document or just a well understood agreement among "inner core" of most senior individuals
determines
Executive Role Delineations
= who does what
=org chart is 1 way in which this is communicated
= job descriptions or positions charters are others
= often generic - do not refer to specifics of current year's strategic plan
indicate which executive roles exist
Role Accountability and Authority Maps (RAAMs)
= 5 to 7 main accountabilities plus authority for each (ability to make decisions allocating $, people and other resources)
= refreshed / renewed as strategic plan is refreshed / renewed / changed
= kept manageable - 2 pages or 11 x 17 page
Competency Dictionary
= a listing of the competencies relevant to executive performance in this organization
= based on a well established competency model, which is "adapted" by this organization so that it reflects its language and culture
= focuses on "general management" competences
= uses behaviour language to describe competencies in a way that is observable by others
= is kept to a reasonable set - including too many competencies makes it unusable
= includes a behaviorally based "level" scale such as:
0 - demonstrates no ability in this competency
1 - show awareness of the competency in dialogue, but never or seldom demonstrates it in behavior
2 - demonstrates competency in behaviour in normal day to day situations
3 - demonstrates competency in all situations, including ones in which there is high stress and risk
4 - demonstrates competency in all situations, and consistently develops the competency in subordinates so that they demonstrate it in their behaviour
is used in
is used in
The RAD (Role and Development) Framework:
Managing Individual Executive Development in an Organization
Personal Performance Agreements (PPAs)
= time based (this quarter, this year, ...)
= for this individual in this role for this period
= measures for each accountability in this time period (measurable means observable by others, concrete and specific)
= negotiated by superior / subordinate; signed by both
= individual always asks "Do I have the authority needed to achieve this measurable?" If no, negotiates a reduction in measurable
= refreshed / renewed each relevant time period
structure the details of
leads to
Personal Performance Evaluations (PPEs)
= compare actual results achieved against contracted measurables
= for this individual in this role for this period
= leads very few surprises since measurables are concrete, specific and observable by others, and both individuals can see progress on them during period
influence
Personal Development or Learning Action Plan
= details the developmental activities to be undertaken by an individual in a specific time period
= can be driven by competency gaps, or by individual's projected career progression
= organized by competencies
= lists developmental activities under each competency
= list target dates for demonstrating the competency at some level in day to day behaviour on the job
leads to
Role Competency Maps
= time based (this quarter, this year, ...)
= competencies required to achieve this RAAM
= organized into core and specialized
= core covers competencies required to deliver 60% to 80% of day to day performance in role
= specialized covers competencies needed for other performances or for performance in exceptional, occasional or crisis situations
= built using standard competency dictionary for all executive roles in organization (except for specific technical know how which uses technical professional or industry language)
determine
Individual to Role Competency Gap
= comparison between an Individual Competency Assessment and a Role Competency Map
= identifies the gap between them; gaps may indicate that individual does not yet have competency, or has it as lower "level" than required by goal
= define what is needed for this "individual" to have an excellent chance to succeed in "role"
Individual Competency Assessments
= can be for this individual in this role or for this individual in this potential role
= for 360 degree, key is negotiating reasonable sample: superior, clients, peers, and superiors so that each "perspective" is scund
= uses organization competency dictionary and Role Competency Maps
= can use "ASP" type services (e.g. http://panoramicfeedback.com) to deliver
= effective use requires self perception versus other's perceptions comparison and confidential dialogue with a "dis-interested" coach whose only stake is improvement of the individual
are compared to generate
Notes:
1. The blue elements are part of the Role and Performance framework; the green elements are part of the Role and Development framework. The black elements are part of the organization's planning infrastructure.
2. These processes can be implemented at a variety of levels, using a variety of software tools.
3. The key to success is always "ownership" of these activities by the executives involved.
4. HR plays a facilitation / coordination role rather than an ownership or management role.
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A **Strategic Plan** states the specific ways in which the organization will behave to achieve its mission in the coming year.

- Some organizations have formal, written, multi-page strategic plans.
- Others use consensus among the inner circle of executives (the 2 to 5 people who make all the major direction-setting decisions for the organization) to produce an informal one.
- The strategic plan is often broken into a number of sections.
- The strategic plan covers a specific time frame, usually a year, and may have a look ahead for the following 1 to 5 years.

An **Executive Role Delineation** that indicates which executive is responsible for which group of organizational activities. The most common form is an organizational chart, with names, titles, and reporting relationships. Often that is all that exists. Sometimes, there are more detailed job descriptions or position charters for each role.

Of these elements, the Strategic Plan and the Executive Role Delineation are essential to implementing the RAP process framework. If they do not exist, working versions can be produced in a very short period of time through dialogue with the organization's head. Circulating a first draft of both through the executive team and asking for their comments is usually all that is needed to confirm both.

1.2 Executive Performance Management Elements

The performance management elements have blue headings on the diagram. Each is described in turn.

1.2.1 Role Accountability and Authority Maps (RAAMS)

What is a RAAM?

Essential to the RAP process, RAAMs are the first step in changing the mental maps that executives have of their roles. RAAMs answer two questions for the individual in an executive role.

What am I supposed to do in this role?

What authority do I have to do it?

Matching authority to accountability is a basic component of the dialogue that produces RAAMS.

How are RAAMs produced?

RAAMs are the result of the facilitated dialogue between a superior and a subordinate. The activities that lead to a RAAM are outlined below.:

1. The change sponsor introduces the RAP process to the executive team.

   The change sponsor may do this by introducing the "outside person" who will facilitate the RAP process. Or the change sponsor may talk about how the RAP process is related to the change occurring in the organization. The sponsor will indicate that there will be a series of meetings with a "facilitator" that will lead to the production of a RAAM for each individual.

2. Each superior – subordinate pair (including the change sponsor when appropriate) meets with the dialogue facilitator to discuss accountabilities and authorities.

   - Before the meeting, the dialogue facilitator will have reviewed any relevant documents (mission statement, strategic plan, any tactical plans and budgets that are relevant, any existing job descriptions, or position charters if they exist). The main purpose of doing so is to increase the dialogue facilitator's awareness of the current situation. Sensitivity to, and understanding of, the language that is likely to be used by the two meeting participants is an essential component of establishing rapport and gaining trust. These documents are not part of the meeting, unless introduced by the superior or subordinate.

   - The dialogue facilitator asks the two participants to discuss the accountabilities of the subordinate, making the following points:

     - The dialogue should produce from 3 to 7 main accountabilities. Lists longer than these tend to be forgotten in the day-to-day course of things.

     - Initial brainstorming may help to identify all of the activities that a person is expected to do in a role. Once this is done, a second pass can organize them into 3 to 7 groupings. In a third pass, summary language is created (a single sentence starting with a verb) to describe the accountability identified by each grouping.

     - Once the accountabilities are identified, the dialogue facilitator starts the exploration of authorities. For each accountability, the subordinate initiates the dialogue by asking and answering the two related questions

"What authority **do I need** to accomplish this accountability?

"What **actual authority** (ability to allocate resources and to make expenditure decisions about $, people, equipment, etc) do I have to accomplish this accountability?

The superior – subordinate may discover that the subordinate does not have sufficient authority to accomplish the accountability as it is currently written. By focusing on the verb used to start the accountability statement, they can often align it with subordinate's current authority level. For example, "Implement …". may be replaced with "Recommend the implementation of …"

Subordinates may discover that their current perception of their authority levels is less than the authority they actually have.

Authority implies power. Individuals often have strong feelings about their relative power positions. Some superiors like to keep power in their own hands, while delegating accountabilities down. Others see their subordinates as having more authority than the actual financial expenditure and management policies of the organization really give them. Sorting through disagreements about authority, and its alignment with accountability, may require the dialogue facilitator to play a mediator role.

An outside 3rd party facilitator has no personal stake in these discussions. They can act as 'honest broker' for both superior and subordinate. The only stake they have in the outcome is to help the two individuals come to an understanding, which resolves whatever differences they may have.

3. After the meeting, the dialogue facilitator produces a first draft of this RAAM document. It is a structured document (see the example in the Widget example in Section 2). It is usually no more than 2 letter size pages, or 1 tabloid size sheet.

   It is not simply a transcript of the meeting. Rather, the task of producing it involves clarifying, interpreting, and summarizing the conclusions reached during the dialogue between superior and subordinate. Any unclear issues that need further dialogue are clearly marked in this first draft, so that the attention of both superior and subordinate is drawn to them.

4. The first draft goes to the superior and the subordinate independently. They communicate their comments, in written or verbal form, back to the

dialogue facilitator. The facilitator incorporates them, making the changes needed to clarify any confusion or resolve any differences.

If this is not possible, the dialogue facilitator meets with the two individuals to work through the areas that need resolution. After this meeting, the dialogue facilitator produces a second draft.

5. The superior and subordinate meet with the dialogue facilitator to sign the second version. If they do not feel comfortable signing it, the reasons are explored. The dialogue facilitator will produce a third version. The three will meet again to sign it.

    - Signing the draft is an important part of the **organization ritual** embedded in the RAP Framework. It turns the paper draft into a **committed role contract** between the superior and the subordinate. As a result, they share a new mental map of the subordinate's role, and of the role-relationship between superior and subordinate. The activities outlined above accomplished this without talking about "mental models" and "inter-locked patterns of repetitive behavior". But the change has occurred on this level. Each person has a new mental model of the subordinate's role. Through their authority discussion, they have developed new patterns of interlocking behavior around how they will decisions independently and together. Their explicit discussion will rapidly turn into "smart habits" for both of them.

Why Should the Dialogue Facilitator Act as the Author of the RAAM?

The dialogue facilitator must demonstrate two things to both individuals during the RAAM creation activity.

- "I have heard you and understand your point of view."
- "My job is to provide a framework that resolves or mediates any differences that arise between you during your dialogue about accountabilities and authorities."

By acting as the author of the drafts, the dialogue facilitator has the opportunity to continue to demonstrate these two things after the initial meeting.

The dialogue facilitator is not personally involved in the **power dynamics** that are inherent in a superior – subordinate relationship. As a result, the dialogue facilitator can approach differences from a point of view that moves beyond the positions held by one or both individuals. Sometimes this happens during the meeting. But sometimes the best way to do this is through the language used in

the draft itself. After listening carefully, the dialogue facilitator is often able to write things up in a way that immediately makes sense to both individuals.

The RAAM author is writing for an audience of two. The dialogue facilitator **must meet the challenge of writing clearly in a way that accurately** presents the conclusions and the agreements of the two participants. Experience in writing RAAMs also helps in achieving this. The position of the dialogue facilitator in the overall dynamic among the three of them also helps. It is easier for an individual who is not either involved in the content of the dialogue or committed by the signing of the role contract to write the "contract".

How Often Do RAAMs Change?

RAAMs can be re-negotiated at any time. The process that is used to re-negotiate part or all of a RAAM goes through the same steps:

- facilitated dialogue,
- independent comments on a first draft,
- revision to incorporate any changes, or further dialogue to resolve remaining differences, and
- signing of a new version of the entire RAAM (not just the changed portions).

Anything less than this undermines the process needed to get a strong mutual commitment to a shared contract.

Unless there is major organizational change, RAAMs tend to be stable over a number of years. They need to be revisited when:

- the strategic plan changes and/or
- either the superior or the subordinate change.

What Level of Effort is Involved in Producing A RAAM?

The following table provides a summary of the **typical effort** involved.

	Activity	Facilitator	Superior	Subordinate
1	Prep for meeting	10 to 60 minutes	-	-
2	First Meeting	60 to 90 minutes	60 to 90 minutes	60 to 90 minutes

	Activity	Facilitator	Superior	Subordinate
3	Write first draft	60 to 180 minutes	-	-
4	Read and comment on first draft	20 to 60 minutes	10 to 30 minutes	10 to 30 minutes
5	Incorporate changes	20 to 60 minutes		
5	Meet to resolve differences	If needed 30 to 60 minutes	If needed 30 to 60 minutes	If needed 30 to 60 minutes
6	Meet to sign	10 minutes	10 minutes	10 minutes
Total		210 to 460 minutes Or ≈ 3.5 to 7.5 hours	110 to 190 minutes Or ≈ 2 to 3 hours	110 to 190 minutes Or ≈ 2 to 3 hours
	Calendar elapsed time	2 to 5 days (taking longer than this sharply reduces the "immediacy" of the process and the "quality" of, and commitment to, the final result		

The more difficult the process of managing the dialogue between superior and subordinate, the more the times will tend to the upper ranges.

What Tools Are Used During The RAAM Creation Activities?

First and foremost, private space is necessary for the meetings. This is best done in a "neutral" space, rather than the office of either participant. Solid flip chart stands, equipped with flip chart paper, are useful. To some extent, their use depends on the personal style of the dialogue facilitator.

A good word processing software and e-mail help the actual production and distribution of the resulting document.

Moving RAAMs Down the Organization – A Word of Caution

Work tends to be more complex and varied at the higher levels of organizations. Creating RAAMs for executive/managerial work generates the most individualized RAAMs. At lower levels in the organization, role families often share RAAMs that are very similar in content. Accountability and authority descriptions may be reusable from one RAAM to another. Libraries of reusable descriptions allow a “pick, collate, and modify” approach to RAAM authoring.

Organizations can take steps to take advantage of this repeatability as they move the RAP process down the organization. But they must take care when they do so. The RAP framework is **not primarily about the documents** that are produced. Focusing on the documents can easily undermine the dialogue needed for superiors and subordinates to create the smart habits and interpersonal understandings that allow them to effectively shape their day-to-day interaction around performance and organizational change. The ritual involved in the meetings in the RAAM creation is even more important than the document itself. The document serves as a visual remainder of the dialogue itself and of the conclusions reached during the dialogue.

Signing the RAAM document turns the document into a role accountability and authority contract. The psychological component of this signing ritual is extremely important. It crystallizes the shifts and the changes in the dialogue between superior and subordinate into a stable form. For many people, the actual signing is a binding process that commits them to the understandings that they achieved.

Organizations need to carefully craft the activities involved in producing RAAMs as they move the process down the organization. Focusing on the documents, and making the process of generating them more efficient by using computer technology, can easily trivialize the psychological commitment components. More than one organization has invested in expensive computer software, and then wondered how the use of the software invalidated the very process that leads people to commit to accountabilities and to exercise authorities. The answer is that the activities required to use the software dominate the process in future. They can undermine the psychological steps needed to generate interpersonal understanding, the creation of personal smart habits, and the shaping of commitment between people in superior – subordinate relationships.

1.2.2 Personal Performance Agreements (PPAs)

What are PPAs?

A PPA is a specific, time delineated, performance contract between a superior and a subordinate. PPAs flow from RAAMs. A signed PPA is a performance contract between a specific superior and subordinate for a specific period of time. The time periods are usually quarters and years, but can be any calendar-based period.

For the subordinate, a PPA answers the question:

> "What results am I expected to produce in the coming time frame?"

For the superior, a PPA answers the questions:

> "What results will this person produce in this role in the coming time frame?"

PPAs communicate performance expectations between superiors and subordinates in concrete, measurable ways. They take the guesswork out of performance management. They are future oriented, **in that they look ahead at what must be done**. A PPA allows the subordinate to plan action. PPAs do not specify the "how's" subordinates will use to produce these results. Some results may be produced by well understood and well established "how's". Other results may require the individual to focus on creating and implementing new "how's". When they do so, they are creating organizational change.

By comparison, performance appraisals look backwards. At performance appraisal time, it is too late to do anything about delivering what should have been delivered. Performance management processes that simply depend on performance appraisal are always in "catch up" mode. They do not directly help a change leader introduce change into an organization through the actions of the executive team.

PPAs flow from RAAMs. If RAAMs allow change leaders to change executives' mental models of their roles, PPAs allow change leaders to change executives' mental maps of what they must do this quarter, next quarter … this year. PPAs contain specific, time targeted, deliverables and results for each accountability in a RAAM.

What is a Measurable Deliverable or Result?

A deliverable or a result is described in measurable terms when another person, who is not responsible for producing it, can say, “Yes, I can see when that result will be achieved or that deliverable completed”. The description of the measurable has all of the attributes summarized by the word “SMART”.

- **S** stands for **specific** and **concrete** – the result or deliverable is described in touch, feel, and see terms.

- **M** stands for **measurable** and **observable** – progress towards the final product or result is observable in a real way. As a result, it is possible to have a clear indication of the degree of progress towards the final product or result at any point in time

- **A** stands for **attainable** or doable in the **time frame** allowed – the result or deliverable can be realistically achieved in the time frame. Even “**stretch” results are doable in the time frame involved.**

- **R** stands for **results oriented** – the result or deliverable can be completed in some real way. It is not an on-going or intangible process. If such a process is to be established, then the result is the establishment of the procedures, tools, and mechanisms that allow the process to operate.

- **T** stands for **targeted to response to an identified need** or **produce a desired outcome**. It is clear who will benefit from the result, who values it and who wants it.

  T also stands for **target time.** This means that the outcome is associated with a clear and defined delivery or completion date.

How are PPAs produced?

The activities needed to produce PPAs for the first time in a group or organization are different from the ones needed to produce them on an on-going basis The first time through is a learning activity for everyone involved:

- superiors and subordinates,
- the subordinate’s subordinates,
- the subordinate’s internal and external clients,
- the subordinate’s team peers.
- and HR professionals.

This learning is as much part of the deliverable from the first time through as the actual PPAs that are negotiated and signed. The first time through the process has two learning outcomes for the superiors and the subordinates.

- Negotiate and frame measurable (SMART) results or deliverables.
- Compare measurable results or deliverables to the subordinate's authority levels. The subordinate must ask:

  "Does my authority allow me to mobilize the resources that I need to accomplish this measurable in this time frame?"

  A positive answer indicates that the result is attainable. A negative answer means the subordinate needs to communicate this concern to the superior. Together, they must reframe the result or deliverable measurable to align with the subordinate's authority level.

A dialogue facilitator will help the two individuals acquire these skills. The dialogue facilitator also acts as an "authoring" coach to the subordinate, who is responsible for drafting the PPA. The dialogue facilitator can also act as an "honest broker", if the superior and subordinate need to go through one or more cycle of "drafting and negotiation" to finalize and to sign the PPA.

Who Can Act as PPA Dialogue Facilitators?

Because PPAs flow from RAAMs, many of the power-based issues about accountabilities and authorities will already have been resolved between the superior and the subordinate. As a result of the SMART habits they have formed about their working relationship, the negotiation of the specific deliverables that make up a PPA usually goes quite smoothly. The level of dialogue facilitation skill required by 3rd party facilitators is generally much less than that required during the initial production of RAAMS.

3rd party PPA dialogue facilitators must be capable of guiding people through the steps needed to produce and to sign PPAs. They must be capable of helping the two individuals to achieve the two learning outcomes just described, as well as to complete a PPA. (See Appendix 2 for a Competency Map for PPA dialogue facilitators.)

As a result, PPA dialogue facilitators come from a variety of places. HR professionals from within the organization can fulfill the role. Superiors can help their subordinates with individuals who report to those subordinates. Peers can carry out the role for one of their fellow team members and that person's subordinates.

An organization will need access to a "coach" for these individuals. An individual with experience in the entire RAP process can train others to act as PPA dialogue facilitators. Such a person can also intervene in the occasional situation where a superior and subordinate encounter difficulties completing a PPA. The individual can intervene personally if necessary. More appropriately, the individual will coach the individual acting as PPA dialogue facilitator to resolve the difficult situation. The latter approach has the added benefit of increasing that person's skill level, as well as resolving the issue.

The coach will act as the initial "trainer" for PPA dialogue facilitators the first time an organization produces PPAs. The coach may be the outside consultant who acted as the dialogue facilitator during the RAAM part of the RAP process.

What Activities are Involved in Producing PPAs for the First Time in an Organization?

1. Discuss the approach to be used with the individual who will act as "coach" to the PPA dialogue facilitators. Decide on a relevant time frame to be used in the PPAs in this organization – usually quarters of a year at the executive/manager level

2. Identify the individuals who will act as PPA dialogue facilitators. Hold a workshop with these individuals to help them understand the PPA creation process and their activities during the process.

   Usually this is a 1-day workshop that introduces the concept of measurable result or deliverable. It then moves through the process of producing a PPA through role-plays. It starts with a sample RAAM, and gets the attendees to play the roles of superior, subordinate, and dialogue facilitator as they produce a PPA on flip chart paper. They shift roles during the course of the role play.

   The workshop is intended to produce PPA meeting facilitation capability at level 2 (can do with prompting, feedback, and coaching from others) and level 3 (can do independently of prompting, feedback or coaching from others). It assumes that the individuals already have dialogue facilitation skills between the level 2 and 3 levels. (See Appendix One for a description of the 4 levels of learning and Appendix Two for a Competency Map for PPA Dialogue Facilitators)

3. Coordinate the schedule of superior – subordinate – dialogue facilitator meetings. Get the relevant RAAMs to each dialogue facilitator as background material

4. Hold the first round of meetings. During the meeting, use the RAAM as an agenda. Discuss the measurable results or deliverables for each authority in the coming quarters of the year. Compare it to the authority level to make sure that it is aligned.

5. Have subordinates produce first drafts of their PPAs. Review them with the dialogue facilitator to "tweak it" in a face-to-face meeting, or via paper-based drafts or e-mail.

6. Send the first drafts to the superiors for comments. Return them to the subordinates and make any needed changes.

7. Do any "difficult" situation interventions that may be required to produce any outstanding PPAs.

8. Schedule a meeting between the superior and the subordinate to sign the first PPAs.

What Activities are Required to Produce PPAs in the Subsequent Cycles?

The activity list is the same, with the exception that the first two activities may not be needed. New PPA dialogue facilitators may need some coaching. If there are sufficient numbers, it may be worthwhile to run the training workshop again.

There will always be a need for an individual to act as "coach" to individuals who have difficulties in resolving PPA issues. It is far better to address these issues at PPA creation time. The alternative is to let them undermine the process of defining measurable results or deliverables. If this happens, the unresolved issues will resurface in a more charged way during performance appraisals later in the year. They will also impact the level of the subordinate's actual performance.

What Level of Effort is Involved in Producing a Single PPA?

The following table provides a summary of the **typical effort** involved.

	Activity	Facilitator	Superior	Subordinate
1	Prep for meeting	10 to 60 minutes	10 to 60 minutes	10 to 60 minutes
2	First Meeting	60 to 90 minutes	60 to 90 minutes	60 to 90 minutes

	Activity	Facilitator	Superior	Subordinate
3	Write first draft			60 to 120 minutes
4	Review first draft with PPA dialogue facilitator (this may be a learning experience for the subordinate)	15 to 60 minutes		15 to 60 minutes
5	Deliver the 1st draft to superior, who reviews and comments on it		15 to 60 minutes	
6	Make changes if any			10 to 30 minutes
7	If needed: Resolve any difficulties that arise and make needed changes to PPA	If needed, 15 to 60 minutes	If needed, 15 to 60 minutes	If needed, 15 to 60 minutes
8	Sign PPA	-	10 minutes	10 minutes
Total	With no difficulties With difficulties	≈ 1.5 to 3 hours ≈ 1.75 to 4 hours	≈ 1.5 to 3.5 hours ≈ 1.75 to 4.5 hours	≈ 2.75 to 5 hours ≈ 3 to 6 hours
	Calendar elapsed time	2 to 5 days (taking longer than this sharply		

	Activity	Facilitator	Superior	Subordinate
		reduces the “immediacy” of the process and the “quality” of, and commitment to, the final result		

In addition, individuals may have to attend a 1-day workshop to become capable PPA dialogue facilitators. These workshops could easily be built into regular supervisor or manager development programs. When this is done, they simply socialize people into the “way that we manage performance in this organization”.

1.2.3 Personal Performance Evaluations (PPEs)

What Positive Impact do RAAMs and PPEs have on the Personal performance evaluation (PPE) Process?

Performance appraisal ratings are the key to bonuses and promotions in most organizations. Consequently, performance appraisal dialogues are deeply charged with emotion for most subordinates. Even individuals who do not openly express what they are feeling can have intense internal responses to performance appraisal ratings. They have a real stake in ensuring that their rating is the best possible.

Performance appraisal is a relatively straightforward process in an organization that uses the RAP framework. Many of the dynamics that complicate the performance appraisal process are dealt with during the creation of RAAMs and PPAs. As a result, conflict in performance appraisals is less likely, and when it does occur, much more productively resolvable.

In organizations that do not use the RAP process, all of the accountability, the authority, and the "What was I supposed to do in this time period" issues that are resolved in the dialogue about RAAMs and PPAs come up at performance appraisal time. As they do, they deeply complicate the performance appraisal conversation. Successful performance appraisal meetings in these circumstances involve a great deal of conflict resolution. The superiors conducting these meetings have to wear three shifting hats:

- that of **an individual who has authority power** over the subordinate, and who is accountable for making solid performance judgment to their own superiors,
- that of **a conflict mediator** who has to resolve differences of opinion between the subordinate and themselves in the role of an individual who has authority power,
- and that of a **development counselor or coach** who must help the subordinate accept any shortcomings in performance, and relate them to shortcomings in competencies and experience that must be addressed to reduce the chances that the subordinate will repeat this inadequate level of performance in future.

The challenge of wearing three such shifting hats, and still communicating consistently, is beyond the competency level of most superiors. As a result, many performance appraisal dialogues fail to achieve all that they need to achieve.

This is borne out by the results of a large number of employee satisfaction surveys that indicate that most subordinates find performance appraisal a meaningless, or a “done ***to*** me instead of ***with*** me” process. HR gurus urge that performance appraisal be a continuous “through out the year” process, so that there are “no surprises” at performance appraisal time. Their suggestion does not provide the day-to-day superior with much insight into “how" to do this. By comparison, the RAP process makes continuous performance appraisal part of the day-to-day concrete, normal relationship between subordinate and superior.

The existence of RAAM-based PPAs that **LOOK AHEAD** eliminates most performance appraisal complications.

1. Accountability and authority issues are resolved during the creation of the RAAM between a superior and a subordinate. Since RAAMs are the basis for much more specific PPAs, these resolutions flow naturally into the specific performance contracting dialogue.

2. Individuals can plan and act to reach the levels of performance for which they contracted with their superiors. It allows them to be **proactive before, rather than reactive after**, a superior’s evaluation of their performance.

3. Individuals can see **the extent to which they are achieving** their contracted results over time. The measurables used in PPAs are structured so that a third person outside of the superior – subordinate relationship can say – “Yes, I can see that this is being achieved” or “No, I can see that this result is not being achieved as time moves on”.

As a result, progress is obvious to both the subordinate and the superior during the performance period. Subordinates can adjust their behavior to increase their chances of achieving it. Superiors can intervene to coach the subordinate or take steps to make sure that the result is achieved in spite of the subordinate’s performance.

How does Personal performance evaluation (PPE) Work in a RAP organization?

When RAAMs and PPAs exist, the evaluation part of the performance appraisal is relatively straightforward. The superior and the subordinate use the PPA to organize a dialogue about what has been achieved. Before their meeting, each person marks up each deliverable as **Achieved** or **Not Achieved**. They each can add explanatory notes.

In their meeting, they see if they are in agreement on each measurable. If they are, they move onto the next. When they are not, they then explore the reasons

for their different perceptions. Often, this exploratory dialogue is all that is required to align their perceptions. When they continue to disagree, the superior's perception is entered into the performance appraisal document. The subordinate then has the opportunity to comment on a differing perception in a short note.

Most organizations add an overall performance rating section to a performance appraisal document. This acts as a summary of the subordinate's performance in the time period under consideration. **It is the responsibility of the superior to make this judgment.** If subordinates disagree, they can again add a short note commenting on their differing perception.

A **Development Considerations** section concludes the performance appraisal document. The superior make any comments or suggestions on the subordinate's competency or career development. This will serve as input to the subordinate's development of a formal or an informal learning action or personal development plan.

The superior prepares the final document. The subordinate can either revise it electronically to add any short notes, or produce a separate document that contains the subordinate's notes. (It will be added to the end of the overall document.) Both subordinate and superior sign the performance appraisal document, and the performance appraisal is complete.

Completed performance appraisals are normally reviewed with a superior's superior. After this, the original is filed in a place that provides controlled access to it to other appropriate individuals in future. This record keeping is generally an HR administrative responsibility.

A Note on the Timing and the Complexity, of PPAs and PPEs

In most organizations, PPAs will use quarters and years as their time periods. However, there is no need to restrict the time periods to the calendar cycle. Project organizations can easily structure PPAs and PPEs based on project cycle instead.

PPAs and PPEs tend to be most complicated at higher levels in the organization. This follows from the fact that RAAMS also tend to be most complex at the higher levels. Lower down the organizational hierarchy, work is often organized in ways that are more clear-cut. Many of the dynamics involved in moving RAAMs down the organization also apply to moving PPAs and PPEs down the organization. (See the section entitled "Moving RAAMs Down the Organization – A Strong Word of Caution" previously).

A Cautionary Note on the Use of Automation to Make the Production of PPAs and PPEs More Efficient

The process - the actual interaction - that occurs between superior and subordinate is the most important element needed to generate performance management success. Altering this interaction in order to generate savings in the production of the PPA or PPE documents through the use of software packages or customized software can dramatically undermine the effectiveness of these interactions. The amount of time typically involved in the generation of PPAs and PPEs (hours) is very small compared to the amount of individual performance time that they impact (individual days, months, quarters, and years). Organizations need to consider carefully whether or not the efficiency introduced through automation is worth the potential for undermining the performance management process.

It is clear that people can benefit from the establishment of template libraries for RAAMs and PPAs for role families lower down the organization. It is also clear the electronic storage of RAAMs, PPAs, and PPEs has many benefits. The effective use of electronic groupware or structured email, and shared libraries of RAAMs and PPA starter templates can achieve much of this benefit. The use of e-mail to exchange drafts, and shared datasets to store copies of the finalized individual documents, also helps.

Do not let these efficiencies undermine the actual power of signing a paper document. Signing a paper documents creates the commitment of entering into a contract for most people. Electronic signatures and consents do not have the same psychological impact for the vast majority of executives and working professionals.

1.2.4 The Relationship of RAAMs and PPEs to the RAD Framework

As the RAP and RAD Framework diagrams presents earlier in this document make clear, there is a strong connection between performance management and individual development. The RAP process deals with performance management. It is a powerful way to introduce organizational change into an organization.

At the same time, personal competencies often need to expand in order to meet the demands of the new accountabilities and authorities required by organizational change. Individual competencies may also need to expand as the result of performance appraisals. The **RAD** (**R**ole **a**nd **D**evelopment Framework) addresses individual competency development, and recruiting for required competencies.

The **RAP** (**R**ole **a**nd **P**erformance Framework) process generates information that is very important to the successful use of the **RAD** (**R**ole **a**nd **D**evelopment Framework) process. The diagram provides the first indications of these links. However, a full description of the **RAD** Framework is beyond the scope of this document, and will be part of a similar document that describes the RAD process.

2.0 The Widget Story

2.1 The Beginning

Widget was a relatively successful small manufacturing company that had been started by the James brothers in the 1980's. For many years, the company did quite well on a year-over-year basis. Both James brothers had a very "hands on" management style. The elder brother basically handled all aspects of the organization that had to do with the outside world. The younger brother managed things "inside" Widget. They had a remarkable facility to see things the same way.

Just after the start of 2003, both brothers decided to retire. They talked to the members of their Board of Directors about a possible sale. They wanted to sell out for enough so that their retirement was completely independent of Widget. But like many owner-managers of smaller business, they realized that they might have to settle for some cash up front, and a progressive buyout of the remaining value over a number of years. As they started to search for a buyer, the James' brothers decided on a number of things.

- They did not want to sell out in a way that led to the disappearance of the Widget brand. They were proud of what they had built. They preferred not to sell Widget to a large corporation or conglomerate.

- They did not want to become "shadow managers", who breathed down the neck of whoever ran Widget in future. They had deeply appreciated their own independence as owner-managers, and believed that a new owner should be in the same position. They did not want to hire a "manager", but truly sell to someone who had a motivation to own and to manage Widget in his or her own way.

- They were prepared to take out some "cash" now, and the rest as a structured buyout over a number of years.

One of their Board members introduced the James' brothers to Sean McGregor. Sean was a well-connected downtown executive in a large corporation. In his early 50's, Sean had recently come into some family money. He wanted to make a transition to owning a smaller company that he could grow in a significant way.

After several months of quiet meetings, Sean and the James brothers came to an agreement. Sean would buy the brothers' stake in Widgets for a sum of cash now, and a further sum due at the end of each of the next 3 years. Sean was appointed CEO of Widget in September of 2003. The James brothers

announced their retirement. They would remain as transition advisors for the last three months of 2003. They would not be involved in the management of the business with the beginning of the 2004 calendar year. They would remain as members of the Board for the next 3 years. But Sean would have the right to vote their remaining shares, as long as he made the designated payment at the end of each of the next 3 years.

Sean led the 2004 planning cycle during the last months of 2003. He made parts of it more formal, explaining that this allowed Widget's senior managers and he to communicate more effectively and to build their working relationships. He also wanted to help them understand how he planned to grow Widget progressively over the next years.

In a number of one-day meetings, he and the senior management team produced the following mission statement and strategic plan for 2004. These became the basis for generating the 2004 tactical plans and operating budgets.

Widget Corporation's Mission

> To manufacture and to sell Widgets to customers throughout the world at world-class levels of quality and service.
>
> To be the employer of choice for Widget's workforce, so that they would rather work for Widget than any other organization in the immediate geographical area.

Widget Corporation's 2004 Strategic Plan

(Confidential Widget Internal Document)

Profitability

Increase our ROI by 10% in 2004, resulting from a general improvement in our operating profitability (Operating revenue minus operating expenses (excluding taxes).)

Operational Excellence

Improve our operational excellence by lowering our year-over-year unit costs compared to last year, without experiencing any decrease in quality in any of our operational or administrative processes.

Measure and report manufacturing quality, customer service and satisfaction, and administrative quality on "at minimum" monthly basis, using metrics that are well understood to those involved in the processes.

(Once we have set this base, we will strive to improve on these metrics in the coming years.)

Market Share and Sales Revenue

Increase our market share in North America by at least 10% over 2003 through growth in our sales (not through any other dynamic, e.g. a reduction in one of our competitor's share of the market).

Capture an initial sales position in Asia that is equal to at least 10% of our sales revenue from Widget North American sales in 2003.

Capability Expansion

Secure the financing needed to expand our manufacturing capability. Complete all the engineering, technical, and construction planning needed to start that expansion late in 2004 or early in 2005.

Work Force Excellence

Maintain our high levels of workforce motivation and contribution through investing in the professional development of our good performers and through acting to resolve any of the issues uncovered by the workforce satisfaction survey that we do each year.

Widget Corporation's Executive Organizational Structure

- Sean MacGregor, **CEO**
    - Junita Sanchez, **CFO**
    - Gregoire (Greg) Francoisy, **Vice President, Sales**
    - Katherinne (Rinn) Winn, **Vice-President, Business Development**
    - Leung (Lewis) Chee, **Vice-President, Engineering**
    - Claudia Ortez, **Vice-President Manufacturing**
    - Heather Winofsky, **Director, Human Resources**

A Short Note for Readers in Non-Profit, Public or Large Organizations

Our example organization, Widget, is a for-profit manufacturing company of a relatively small size. Do not let the Widget's nature put you off. Widget's real mission is to help you gain concrete insight into how the RAP Process is implemented in ANY organization, whatever its mission or size. The fact that you do not share Widget's mission or strategic plan is irrelevant. **The fact that your organization is introducing change is the only important thing that you need in common.**

2.2 Creating RAAMs for the Widget Executive Group

Starting the RAP Process at Widget

In mid November 2003, in his regular weekly meeting with his executive team, Sean distributed copies of the RAP – RAD process framework diagram. He indicated that he wanted to use the RAP Framework to shape the performance contracts of each of the members of the executive team for 2004. He talked about Lynne Murphy, who would be involved in this. She was an outside consultant with whom he had worked when the RAP process was introduced into his previous place of employment by that CEO. He told the executives that he expected Lynne to join them in their next meeting to explain the steps in the RAP process and answer any questions.

Sean indicated that his target for signing Role Accountability and Authority Maps (RAAMs) with each of the members of the Executive Team was Christmas 2003. He hoped that they could sign their 2004 Personal Performance Agreements, which would be based on the RAAMs, by the end of January 2004.

He asked them to consider implementing the same process with their immediate subordinates for 2004. He stated that he could see pushing the process further down into the organization in 2005. But he preferred to discuss this with them after they had personal experience with RAP, both as his subordinates, and as the superiors of their own subordinates.

Lynne Murphy attended their next meeting. She distributed samples of a Role Accountability and Authority Map (RAAM), an Individual Performance Contract (PPA), and a Personal Performance Evaluation (PPE). The team members were all reassured when they saw that the full package – all three documents – consisted of 8 to 10 letter-sized pages.

They asked a fair number of questions about Lynne's role. She explained that she had four core things to accomplish:

- Act as dialogue facilitator in their individual meetings with Sean, so that there was a neutral 3rd party, not responsible for carrying out any of the Role outcomes, at these meetings.

- Act as the author of the RAAM and PPA documents, and take them through the process of producing them until they were signed.

- Transfer her ability and experience as dialogue facilitator and author to them, and to a senior HR person in Heather's HR shop, so that Widget would begin to develop its own capability with the RAP process.

- Act as overall process coordinator for the activity.

Crafting the First Role Accountability and Authority Map (RAAM)

Junita Sanchez, the CFO, Sean, and Lynne met to start the process of completing Junita's RAAM on the Monday of the following week. Sean and Junita started by talking about all of the things that Junita did. In the process of doing so, Junita began to realize that Sean expected her to take a "bigger" picture view of Widget's finances that she was used to with the James brothers. Sean expected her to take control of the relationships with Widget's bankers. In the past, she had been involved in it, but the elder of the James' brothers handled the actual negotiation and on-going relationship management.

The real breakthrough for them came when Lynne started to list Junita's activities on flip chart paper. She used different sheets to sort the activities into related groups. She hung the sheets around the room, and moved to the appropriate one. She led them in crafting a summary statement for each, which captured the accountability for each set of activities. By the end of an hour, Junita and Sean had agreed that there were 7 accountabilities.

Both Sean and Junita wanted a break before they moved onto authorities. Lynne suggested that they could meet again the following morning. She told them she would produce a simple transcript of the seven accountabilities listed on the flip charts before this meeting.. They got this list from her 2 hours later.

Junita's Role Accountabilities

Widget Financial Statements and Reporting

1. Direct the creation of all financial statements, departmental monthly budgets and operating statements, and financial analysis as required.

Relationships with Bankers

2.1 Negotiate financial arrangements with banks and other sources of loans and capital.
2.2 Maintain relationships with existing and potential financial institutions.

Widget Expenditure Reviews

3. Review operating and capital expenditure plans and activities with a view to improving cost effectiveness and profit enhancement.

Financial Area Staff Management

4, Direct the financial area staff.

Financial Area Expenditure Management

5. Authorize the expenditure of funds for financial area activities.

Finance / HR Software Project

6. Act as business sponsor and champion for the IT project to replace all financial software with new integrated Financial and HR software package.

Executive Committee

7. Participate in Widget's Executive Committee.

As Junita read the list of her accountabilities, she realized that many of them would stay the same from year to year. Except for the IT project, they seemed to be a classic list of the role responsibilities of the CFO in most organizations. She also realized that there had been little talk about how she did these things in her meeting with Sean. This was a big change for her. Both of the James brothers had been very involved in the "how of things". In comparison, Sean seemed to be more interested in defining what needed to be done. He was leaving the "how's" up to her.

She thought about how she would engage in the authorities discussion. Widget had a stated policy that expenditures greater than $2,000,000 needed to go to the Board for review and comment. She reflected on how things had worked

when the James where in charge. Most “large” things were discussed with them in fair detail. They had been fairly explicit about when they thought things were OK, and when they were not. She had learned which decisions they considered large through experience. It covered just about everything except the day-to-day details of managing her staff. She suspected that things were going to be different working for Sean.

She was right. The authorities meeting was difficult. She kept looking to Sean to tell her what she could do. He kept asking her what authority she felt she needed to do her job. Without Lynne there, they would have gotten frustrated with one another. Lynne pointed out to both of them that they were really talking about how they were going to work with one another in future. She also kept reminding Sean that he was introducing major change into Junita’s understanding of her role. At the same time, she pushed Junita to make “I statements” about what authority she thought she needed to carry out her accountabilities.

At the end of 90 minutes, they seemed to have gotten somewhere. But they were not really sure. Lynne suggested that they stop and let her do a first draft of the RAAM. She said that she had allocated the time to write it that afternoon. They all agreed to rearrange their schedules so that they could meet again the following morning.

Things seemed to flow much more smoothly the next morning. Junita had gotten the sense of what Sean wanted. She suggested some refinements to the draft that Lynne had produced. Sean agreed with most of them. Short conversations quickly led to the remaining needed revisions. Once again, Lynne stated that she could make these changes for them by early afternoon.

Once this was done, Lynne asked them to reflect on the “how” of their work together. She pointed out the accountabilities came together when she (Lynne) started to use flip charts to organize their conversation about Junita’s activities into groups. She briefly described the difficulties they encountered during the authorities discussions. She commented on the “expectations” gap that they had experienced. Junita had expected things to be much the same as they were under the James brothers. Sean clearly expected the members of the executive team to play a major role in defining how they carried out their roles. He expected them to tell him what authority they needed, not look to him to tell them what authority they had. They had both been well intentioned, but the differences in their expectations created problems in their dialogue about authorities at first.

Lynne stated that she thought the other members of the Widget executive might experience the same dynamics. She asked Junita if she would be prepared to talk about these dynamics at the next meeting of Executive Committee later in the week. She (Lynne) would start by describing how they had worked together, much as she had just done. She would ask first Junita, and then Sean, to add

their perspectives. They would have a conversation about this dynamic with the other members of the team. Lynne thought this would help them make the same shift that Junita had already made. Junita agreed.

Lynne prepared the final version of Junita's RAAM. (See the following two pages.) Sean came to her office the following morning, and they both signed it. Junita suggested that the final step in their meeting with the other members of the Executive Committee would be the circulation of the final signed version of her RAAM. She pointed out that they needed to know her accountabilities in order to coordinate the activities of their roles with her. At the same time, she suggested that her RAAM would be a useful "the way we do it at Widget" example for the others. Sean endorsed her idea.

Junita's Role Accountability and Authority Model (RAAM)

The following two pages present Junita's RAAM. Notice that each accountability is tied to 1 or more elements of the Widget 2004 Strategic Plan. It was prepared on 8 ½ by 11 inch landscape letter paper. It was printed out using Abode Acrobat, which allowed it to be copied and pasted into this document. The copy is scaled slightly smaller than the original, so that it will fit conveniently into the document.

Who: Junita Sanchez
Role: CFO
Date: January 15, 2004

Role Accountability and Authority Map

Widget Corporation
In Force: Fiscal 2004

No:	Accountability	Strat Plan Element	Type : Process or Project	Authorities
1	**Widget Financial Statements and Reporting** Direct the creation of all financial statements, departmental monthly budgets and operating statements, and financial analysis as required	1. Profitability 2. Operational Excellence	On-going Process	1. Approve all financial statements and documents 2. Release Financial Statements to board and public
2	**Relationships with Bankers** 1. Negotiate financial arrangements with banks and other sources of loans and capital 2. Maintain relationships with existing and potential financial institutions	1. Profitability 2. Capacity Expansion	On-going Process	1. Recommend major (> $2 million) financial deals to CEO and board 2. Sign (and commit Widgets) all deal financial contracts, including board approved ones
3.	**Widget Expenditure Reviews** Review operating and capital expenditure plans and activities with a view in improving cost effectiveness and profit enhancement	1. Profitability 2. Operational Excellence	On-going Process	1. Implement changes in financial organization 2. Recommend changes to CEO and other senior operating executives
4.	**Financial Area Staff Management** Direct the financial area staff	Work Force Excellence	On-going Process	1. Hire, fire, promote and assign work to Financial staff within Widgets HR principles and guidelines 2. Authorize training and development for HR staff within Widgets HR principles and guidelines
5.	**Financial Area Expenditure Management** Authorize the expenditure of funds for financial area activities	Operational Excellence	On-going Process	1. Approve all financial area expenditures that are within total financial area budget, and under board policy approval limits (<$2 million) 2. Recommend expenditures that are outside the budget, or beyond approval limit, to the CEO, and the board, as appropriate

Page 1 of 2

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

Who: Junita Sanchez
Role: CFO
Date: January 15, 2004

Role Accountability and Authority Map

Widget Corporation
In Force: Fiscal 2004

No:	Accountability	Strat Plan Element	Type : Process or Project	Authorities
6.	**Finance / HR Software Project** Act as business sponsor and champion for IT project to replace all financial software with new integrated Financial and HR software package	Operational Excellence	Project	1. Approve all project expenditures and activities that are within bounds of project plan approved by board in 2003 2. Recommend project expenditures and activities that are outside the project plan to CEO, and when appropriate to the board
7.	**Executive Committee** Participate in Widget's Executive Committee	All	On-going Process	1. Contribute to dialogue 2. Vote on issues when this is deemed appropriate by the CEO

Note :On-going Processes continue all the time; Projects have a defined start and stop date.

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

Completing the RAAMs for the Widget Executive Team

During the Executive Committee meeting, Junita talked about the insights she had during her dialogue with Sean and Lynne. She talked openly about her realization that Sean was less interested in the "how's" of her role than the James brothers had been. She stated that she now knew that she was expected to make things happen in order to accomplish these accountabilities, and that she truly had the authority to make them happen. She compared this with the long discussions that she had always had with one or both James brothers on issues. They had always left her with the feeling that one or both of the brothers had really made the decision, and laid out how it was to be implemented.. She stated she was glad that she had this experience with them. It had taught her a lot about Widget and the general manager perspective on things. Her understanding of Widget's competitive dynamics has grown on their management style. At the same time, she was glad about Sean's approach. She knew that she was ready to demonstrate initiative in her own right. She felt that Sean's management style would stretch her personal abilities in significant ways.

Lynne arranged meetings with each of the team members and Sean. With some fits and starts, all of the Widget Executive Team Role Accountability and Authority Maps were completed just before Christmas.

As they were finishing up, Sean circulated a RAAM for himself to everyone. He indicated that he was intending to present it to the Board at their year-end meeting.

Everyone agreed that it would be useful to present the Board members with a binder that included:

- Widget's mission statement,
- The 2004 Strategic Plan
- Signed copies of each Executive Team member's RAMM,
- A full set of the 2004 tactical plans and operating budgets.

Once this binder existed, it proved indispensable as a communication tool. It helped clarify who was responsible for what. It replaced the largely implicit sense of role and responsibility that had grown up during the years that the James brothers ran Widget. It introduced a sense of personal control that energized the senior team.

The members of the Executive Committee began to refer to the binder as the 2004 Bible. They passed copies of it on to their direct reports, and used it to brief them on the strategic and tactical priorities and plans for 2004. They used their own RAAMs to educate their subordinates about the RAP process. They asked Heather Winofsky if she had anyone on her HR staff who could act as a dialogue

facilitator, who could help them create RAAMs for their subordinates. 2004 was well on its way.

2.3 Taking the Next Steps at Widget

Planning To Make RAP Normal and Real

Heather Winofsky, Widget's head HR person, is accountable for ensuring that the support for the RAP process existed during 2004 (It is in her RAAM, and will be covered in her PPA). She met with Lynne Murphy early in the first working week of January to discuss how she would go about actualizing her accountability. They agreed on the following steps.

- Lynne would act as Widget's RAP coach during 2004.
  - Heather was concerned about balancing cost, skill transfer, and quality. She recognized that Lynne had deep dialogue facilitation skills. She also wants to develop Widget's capability to implement the RAP Framework without being dependent on outside consultants for an extended period of time.
  - Lynne will continue to act as the dialogue facilitator for the executive team in 2004. She will act as the PPA dialogue facilitator as they prepared their PPAs during January and the 1st 2 weeks of February.
  - Lynne will coach Heather, and Anton Ramisky, one of Heather's senior HR staff individuals, to take on the role of RAAM dialogue facilitator for those members of the Executive team who want to prepare RAAMs for their direct reports during the 1st two months of 2004. This includes coaching in dialogue facilitation as well as the RAP process. In the long term, Heather wants Anton to become "Mr. RAP" for Widget.
  - Lynne will deliver a 1-day workshop that will train PPA's facilitators in the last week of January or the first week of February. All of the members of the Executive Team will attend. Heather will also identify a number of other individuals, both in HR and through out Widget, who have the dialogue and meeting management skills to be potential dialogue facilitators. (See Appendix 2 for A Competency Map for PPA dialogue facilitators.)

- Sean MacGregor, the CEO, will act as the executive sponsor of the RAP process in 2004. As part of this, he has added operational accountability for RAP coordination and support to Heather's RAAM.

  - Heather and Anton will act as RAAM dialogue facilitators for those members of the Executive Team who want to prepare RAAMs with their direct supports.

  - Anton will have a RAAM and a PPA that includes a new accountability for coordinating the RAP process at Widget. Heather will take steps to negotiate the following activities into his PPA. (Measure: These items, or a modified version of them, are in Anton's 2004 PPA.)

    - Provide a PPA dialogue facilitation "service" that will support all superiors and subordinates who have completed RAAMs in the creation of a PPA.
      Measure: all superior–subordinate peers who have a RAAM are connected with a PPA widget facilitator and complete and sign a PPA within 4 weeks of completing the RAAM.

    - Create an RAP support facility that:

      - uses Widget's internal intranet to store word processing templates for RAAMs and PPAs.
        Measure: it exists and is used by Widget people who author RAAMs and PPAs.

      - keeps tracks of everyone who has a RAAM, a PPA, and is due to do a PPE at year-end.
        Measures: It exists and is accurate. The data can be made available to any appropriate person who asks for it in less than 1 business day.

    - Extend Widget's capability to extend the RAP Framework further down into the organization in the last quarter of 2004 and in 2005.
      Measure: the Executive Committee is presented with a plan that incorporates their ideas and Lynne Murphy's advice by the end of Q3-2004. If and when they approve this plan, an operational capability to carry it out is included in the approved 2005 HR tactical plan and operating budget, and any other 2005 tactical plans and operating budgets that need to incorporate activities and dollars to make this real.

Heather feels that she has a good handle on moving things forward for the rest of this year. She believes that Widget will get good value out of the consulting dollars that they spend on Lynne. Rather than simply doing, she will be helping them develop their own capacity to do RAP in future.

2.4 Completing the PPAs for the Members of the Executive Team

Junita's PPA Negotiation Process

Buoyed up by her RAAM preparation experience, Junita acts quickly to get her own PPA completed. She arranges a meeting with Lynne and Sean. They meet on the first working Friday of 2004 in her office. Lynne suggests meeting in Junita's office.

At the start of the meeting, Lynne explains that she suggested meeting in Junita's office for a reason. They are meeting to negotiate a PPA. Clearly, that PPA must be agreeable and acceptable to Sean as the superior. But Junita will execute it. She will have to do the work that achieves the results of the meeting. Meeting in her office symbolically aligns this fact with the place in which she will do much of this work. Lynne indicates that, in her experience, meeting in the "subordinate's" office leads to more practical and achievable PPAs. It grounds the negotiation process in a very different way from meeting in the superior's office. Having the superior come to the place in which the subordinate will do much of the work seems to be important psychologically to the overall process. She recommends that they also sign the completed PPA in Junita's office for the same reasons.

Lynne then sets out the agenda for them. She indicates that Junita and Sean need to develop specific measurables for each of the accountabilities in Junita's RAAM. She tells them that they will focus on this for each quarter of 2004. In some cases, the performance results and deliverables will be specific to a quarter. In other cases, they will simply be something that must be achieved in each quarter.

Lynne also tells Junita that she will be responsible for drafting her own PPA. This is a major change from the RAAM preparation process, where the dialogue facilitator was also the draft author. Lynne indicates that she will be available to coach Junita during this process. Finally, she spends some time on the concept of measurable result or deliverable. She gives them some examples.

She tells them that as PPA dialogue facilitator she has three tasks during the meeting.

- First, she must keep them on track, as they move through each of Junita's RAAM accountabilities.

- Second, she must ensure that the results or deliverables they develop truly are measurable. She gives them a page with the SMART attributes of a measurable result or deliverable and says that this will be her checklist for determining this. (See “What is a Measurable Deliverable or Result?” in Section One of this document.)

- Finally, she must take care to guide Junita in doing an “authority” check on each deliverable or result. Junita must ask, “Do I have the authority to mobilize the resources (dollars, people, and assets) to achieve this outcome in this time frame?” Whenever she does not think she does, Lynne must guide Sean and her in reframing the result or deliverable until it is one that she does have the authority to deliver.

The meeting goes fairly smoothly. Junita finds that she must make notes on each deliverable in order to remember what it was. She does. Sean has a very real grasp of the concept of measurable, seldom strays far from it. They work very collaboratively whenever Junita doubts that her authority covers outcome, and quickly reframes it so that she is comfortable.

Over the weekend, Junita prepares her first draft of her PPA, using a starter template provided by Lynne. She and Lynne go through it Monday morning. Junita discovers that Lynne has kept her own set of notes on Junita’s deliverables. Over the course of a half hour, they crisp up Junita’s draft considerably. At the end of the meeting, Lynne tells Junita about the plans that Heather and she have developed for a workshop for PPA dialogue facilitators. Junita agrees that this will help both her peers and herself in their efforts to take the RAAM and PPA process down to their direct reports.

The draft goes to Sean. He asks for some minor wording changes, and raises 1 new area that Junita and he did not talk about during the meeting. Junita has a phone conversation with him about it, and adds it to the PPA. Sean and she meet in her office the following morning. They both sign her PPA. Junita has her administrative support person make and distribute copies. One goes to Sean. One goes to Heather Winofsky to be added to Widget’s file of signed PPAs and RAAMs.

When Junita reads over her own signed copy, she decides that it makes sense to share it with her direct reports. She has been talking about her experience with RAAMs in her weekly meetings with them. They all have a copy of the Widget 2004 Bible. She sees giving them a copy of her PPA as serving two purposes. First and foremost, it will tell them what she is expected to achieve in 2004. Since a great deal of the detail work will be delegated down to them, this will help them understand her management of them during the year. Second, it will act as a

model for their own PPAs, which she intends to negotiate with them by the end of February.

Junita's 2004 PPA

Junita's Personal Performance Agreement (PPA) is included on the next 3 pages. It was prepared on 11 by 17 inch landscape tabloid paper. It was printed using Abode Acrobat, which allowed it to be scaled to a landscape 8 ½ by 11 inch printed sheets. The copy is scaled slightly smaller than that, so that it will fit conveniently into the document.

Transformation Partners

Who: Junita Sanchez
Role: CFO
Date: February 1, 2004

Personal Performance Agreement

Widgets Corporation
In Force: Fiscal 2004

#	Accountability (From RAAM)	Q1 Measures	Q2 Measures	Q3 Measures	Q4 Measures	Comments
1	Direct the creation of all financial statements, departmental monthly budgets and operating statements, and financial analysis as required.	1. All monthly corporate financial statements ready 10 working days after previous calendar close. 2. All corporate financial statements accepted by CEO and board. 3. All departmental financial statements available 10 working days after previous month close. 4. Widget Operating budgets updated by end of each quarter (new forecast). 5. Financial analysis are accurate and do not have to be redone due to errors in numbers.			1. Same as Q1 # 1 – 5. 2. 2005 Financial Budgets to Board for approval by Dec meeting. 3. 2005 Financial Area Operating Plan to CEO for approval by Dec 1st.	This is business as usual from year to year, with the exception that in 2004 changes to the financial processes throughout Widgets will have to be implemented in line with new integrated Financial and HR software package. The expectation is that these changes will help meet these date targets, and in fact make it easier to do so.
2	1. Negotiate financial arrangements with banks and other sources of loans and capital. 2. Maintain relationships with existing and potential financial institutions.	1. Stable relationships exist with Widgets' bankers – they do not raise concerns about their knowledge of Widgets' operations and financial status. 2. Negotiations started with potential lenders about capital loan needed for expansion of Widgets manufacturing facilities.	1. Same as Q1 # 1	1. Same as Q1 # 1 2. Loan contract for expansion accepted by board and signed with financial institution by Sept 15.	1. Same as Q1 # 1	No quarter by quarter measurable exists for maintaining relationships with potential financial institutions. This is measured throughout the year by Junita's ability to arrange meetings with senior individuals in these institutions whenever it is appropriate.
3	Review Widget capital and operating expenditure plans and activities with a view in improving cost effectiveness and profit enhancement.	1. CEO and other members of the Executive Committee find comments and suggestions useful and act on a number of them throughout the year. When they do not act on them, they do not criticize the recommendation, but rather place the recommendation in a broader operating context that makes it clear that the recommendation is not the best thing to do at the time. 2. During the CEO's year end informal 360-type conversations with the other members of the Executive Committee prior to Junita's performance appraisal, they express appreciation for the way in which Junita carries out this accountability. Generally, they find her comments valuable and worthy of consideration.				In general, Junita's review of financial aspects of plans and issues demonstrates an approach which balances being the "financial watchdog" with appreciation of the needs of the business. She is seen as "tough" on dollar issues, without being considered a person who "counts the paper clips" as the expense of business realities.

Signatures:

_____, J. Sanchez,CFO

_____, S. MacGregor, CEO

Who: Junita Sanchez
Role: CFO
Date: February 1, 2004

Personal Performance Agreement

Widgets Corporation
In Force: Fiscal 2004

#	Accountability (From RAAM)	Q1 Measures	Q2 Measures	Q3 Measures	Q4 Measures	Comments
4	Direct the financial area staff	1. No major difficulties with the work done by financial area staff occurs – work is done as required and as scheduled. 2. Normal hiring and promotions occur in the financial area. 3. Any individual performance problems identified in the previous year's performance appraisals are resolved, through individual development, coaching or termination. 4. Any terminations proceed smoothly and do not lead to lawsuits in the courts. 5. Promotion from within is the normally the case, according to the succession plan. 6. New hires are either asked to leave during their probationary period, or are good fits to Widget's culture and become productive contributors (as measured through their Individual Performance Contracts and Performance Appraisals). 7. Work is done within approved head count and staff budgets. 8. On year end employee satisfaction survey, financial area staff averages are generally at the high end of the scale. Action plans to address any indicated problems are developed in collaboration with HR, and lead to improved results on the staff survey in these areas in the following year.				This is business as usual from year to year, reflecting Widgets commitment to its staff, their development and their performance.
		1. Personal Performance Agreements (PPAs) are signed by all staff by the middle of February.			1. All Personal Performance Evaluations (PPEs) are complete by the middle of December. 2. All financial area staff bonus recommendations are approved by the CEO by beginning of the 3rd week in December.	
5	Authorize the expenditure of funds for financial area activities	1. Financial area expenditures are on budget pretty much through the year. The total of financial area expenditures does not exceed the total budget for the financial area at year end, if extraordinary and unexpected circumstances have not occurred throughout the year. 2. If extraordinary and unexpected circumstances occur, which lead to the possibility of financial area expenditure above the 2004 budget, a business case is presented to the CEO and Executive Committee before the expenditures are made. If approved, these new amounts are reflected in the quarterly forecasts. 3. Junita demonstrates to the satisfaction of the CEO that financial area unit costs are decreasing on a year over year basis, as a result of an increase in productivity. 4. Quarterly forecasts reflect changing business circumstances and productivity gains. Decreases in projected spending from the total aggregate approved financial area budget occur whenever productivity increases or other circumstances allow it.				This is business as usual from year to year, reflecting Widgets commitment to Operations Excellence.

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

Transformation Partners

Widgets Corporation
In Force: Fiscal 2004

Personal Performance Agreement

Who: Junita Sanchez
Role: CFO
Date: February 1, 2004

#	Accountability (From RAAM)	Q1 Measures	Q2 Measures	Q3 Measures	Q4 Measures	Comments
6	Act as business sponsor and champion for IT project to replace all financial software with new integrated Financial and HR software package	1. The project proceeds according to the approved project plan. 2. If circumstances require it, changes to the project plan are presented to the CEO and the executive committee (and if needed to the board). If approved, they become part of the new project plan. 3. The other members of the Executive Committee agree that they have been adequately informed (in enough time to take steps to implement required changes in their areas to support the new financial and HR software package) about the project's impact on their areas over the course of the year.			1. A project completion review is presented to the Executive Committee, identifying the difficulties experienced during the project, and suggested ways of avoiding them in future, if appropriate.	Junita has the IT staff for this project reporting to her in a matrix manner.
7	Participate in Widgets Executive Committee	1. During the CEO's year end informal 360 type conversations with the other members of the Executive Committee prior to Junita's performance appraisal, they express appreciation for the way in which Junita carries out this accountability. Generally, they find her participation thoughtful and effective.				This is clearly a "get along with othe rs" factor. It reflects Widgets' determination to have a culture which ge ts results without sacrificing getting along with others. There will be normal occurrences of issue based conflict and dispute during the year, but they does not become personality driven or disrespectful of others.

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

Completing the PPAs for the Rest of the Executive Team

Lynne starts to involve Anton Rimsky in the coordination process for the rest of the Executive Team. At the same time, she involves him in preparing the slides and the role-play for the PPA Dialogue Facilitator Workshop.

She does not wait for the workshop to start meeting with the individuals members of the Executive Team and Sean. Instead, she does whatever coaching is needed by each individual to move the process along towards Sean's mid February targets.

The pressure of events is such that they miss the target by 2 weeks. The last of the Executive Team's PPAs is signed at the end of the February.

In the meantime, different individual Executives are moving forward at different rates with moving the RAP process down to their direct reports. Heather, Lynne, and Anton support them without pressuring anyone to move faster. Sean has indicated that his target for 2005 is a RAAM, a PPA, and a PPE for each member of the Executive Team in 2004. He hopes that they will use the RAP process in their own management relationships with their subordinates. But he has not mandated it. He believes that they need personal experience with it before such a step is appropriate. He also strongly believes that "how's" are up to the individual. He wants to manage measurable results and deliverable - ends, rather than "how's". By focusing on ends, he gives each of his reports the ability to remain creative in how they accomplish them.

2.5 Junita's Next Step – End of Quarter Stock Taking

Junita uses her PPA to take stock of her performance at the end of each quarter. She reviews her signed PPA document, and adds notes indicating how she is doing on each deliverable. This process allows her to fine-tune her performance for the following quarter. It also leads her to bring up specific issues in her regular meetings with Sean.

She realizes that the IT project for which she is accountable is not going as well as it should. She plans and takes corrective action. She briefs Sean and her peers at the Executive Committee on what she is doing and why. She finds that they are aware of the difficulties through their indirect monitoring of the impact of the project on their areas. They offer helpful advice and comments that she is able to incorporate into her corrective actions.

She also finds that her sense of progress on her own deliverables helps her fine tune her dialogue with her subordinates. She negotiated and signed PPAs with each of them by the end of February. Although she did not do much with them at

the end of the first quarter, she starts to refer to them more directly from them on. She uses her copies of their PPAs to note her perceptions of their progress on their deliverables and results at the end of the 2nd and 3rd quarter. She shares these observations with each of them in her one-on-one meetings with them. She quickly discovers when and why their perception of progress on measurables disagrees with her own. In some cases, they re-negotiate the deliverable. When the do, they update the PPAs, sign it again, and send copies of the amendments to Anton Rimsky for record keeping. In other cases, the subordinate briefs her on action plans to address the issue. When she is comfortable with the plan, she indicates her support. When she is not, she has an open coaching discussion, which shares her concerns. They work out corrective action together.

All and in all, Junita finds that the performance discussions that she is having with both Sean and her subordinates are focused, concrete, and positive. There are few surprises. When tensions arise, they are focused on specific issues and do not impact the overall shape of her relationship. She finds the whole tenor of these conversations useful and concrete. She is also seeing her subordinates stretch. At times, they suggest extensions to the measurables beyond what they have originally negotiated. She is well pleased with the way in which the RAP Framework has become something that they just do as part of their normal day-to-day work with one other.

2.6 Performance Evaluation Time at Widget

In the 1st week of December 2004, Sean schedules performance appraisal meetings with each of his direct reports. The meetings are short and straightforward. Because Sean had been referring to their progress on the measurables in their PPAs throughout the year, no one was very surprised by his perceptions of their performance. In most cases, their own perceptions agreed with his.

When performance issues did arise, they work through them using a personal improvement perspective. Their dialogue is focused on personal development rather than the facts of their performance during the year.

Junita comes out of her meeting with Sean feeling better about a performance appraisal meeting than she had ever felt in her working life. She actually enjoyed it. She left it behind her quickly. Instead, she focused on thinking about her 2005 PPA.

Junita's 2005 Performance Evaluation

Junita's Personal performance evaluation (PPE) is included on the next 4 pages. It was simply a somewhat modified copy of her PPA. Sean and she marked up a copy of the PPA. Sean's administrative support person did the actually word processing.

The PPE added an Overall Performance Rating and a Development Considerations section to the modified PPA. Once the first draft had been prepared, Sean's Admin sent it to Junita for her comments and any notes that she want to add. As she reviewed it, Junita found that there was nothing that she wanted to add. So she arranged to meet with Sean and sign it.

It was prepared on 11 by 17 inch landscape tabloid paper. It was printed out using Abode Acrobat, which allowed it to be scaled to a landscape 8 ½ by 11 inch printed sheets. The copy is scaled slightly smaller than that, so that it will fit conveniently into the document.

Who: Junita Sanchez
Role: CFO
Date: December 13, 2004

Personal Performance Evaluation

Widgets Corporation
In Force: Fiscal 2004

#	Accountability (From RAAM)	Q1 Measures	Q2 Measures	Q3 Measures	Q4 Measures	Comments
1	Direct the creation of all financial statements, departmental monthly budgets and operating statements, and financial analysis as required.	1. All monthly corporate financial statements ready 10 working days after previous calendar close. 2. All corporate financial statements accepted by CEO and board. 3. All departmental financial statements available 10 working days after previous month close. 4. Widget operating budgets updated by end of each quarter (new forecast). 5. Financial analysis are accurate and do not have to be redone due to errors in numbers. Achieved.			1. Same as Q1 # 1 – 5. 2. 2005 Financial Budgets to Board for approval by Dec meeting. 3. 2005 Financial Area Operating Plan to CEO for approval by Dec 1st. Achieved.	This is business as usual from year to year, with the exception that in 2004 changes to the financial processes throughout Widgets will have to be implemented in line with new integrated Financial and HR software package. The expectation is that these changes will help meet these date targets, and in fact make it easier to do so.
2	1. Negotiate financial arrangements with banks and other sources of loans and capital. 2. Maintain relationships with existing and potential financial institutions.	1. Stable relationships exist with Widgets' bankers – they do not raise concerns about their knowledge of Widgets' operations and financial status. Achieved. 2. Negotiations started with potential lenders about capital loan needed for expansion of Widgets' manufacturing facilities. Achieved.	1. Same as Q1 # 1. Achieved.	1. Same as Q1 # 1. Achieved. 2. Loan contract for expansion accepted by board and signed with financial institution by Sept 15. Achieved.	1. Same as Q1 # 1 Achieved.	No quarter by quarter measurable exists for maintaining relationships with potential financial institutions. This is measured throughout the year by Junita's ability to arrange meetings with senior individuals in these institutions whenever it is appropriate.
3	Review Widget capital and operating expenditure plans and activities with a view in improving cost effectiveness and profit enhancement.	1. CEO and other members of the Executive Committee find comments and suggestions useful and act on a number of them throughout the year. When they do not act on them, they do not criticize the recommendation, but rather place the recommendation in a broader operating context that makes it clear that the recommendation is not the best thing to do at the time. Achieved. 2. During the CEO's year end informal 360-type conversations with the other members of the Executive Committee prior to Junita's performance appraisal, they express appreciation for the way in which Junita carries out this accountability. Generally, they find her comments valuable and worthy of consideration. Achieved but several individuals commented that Junita is a bit of a bulldog who has difficulty letting go of issues that they thought were resolved. She re-opens them in slightly different ways later in the year, and goes back over past ground. From my perspective (the CEO's), this is a style issue. Re-addressing potential expenditures is part of Junita's financial prudence role. Doing it in a way that feels a bit like "badgering" is not productive. A more matter of fact, "I know that we have discussed this and brought it to a close, but new circumstances require me to rise it again ..." approach might eliminate this feeling.				In general, Junita's review of financial aspects of plans and issues demonstrates an approach which balances being the "financial watchdog" with appreciation of the needs of the business. She is seen as "tough" on dollar issues, without being considered a person who "counts the paper clips' as the expense of business realities.

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

Who: Junita Sanchez
Role: CFO
Date: December 13, 2004

Personal Performance Evaluation

Widgets Corporation
In Force: Fiscal 2004

#	Accountability (From RAAM)	Q1 Measures	Q2 Measures	Q3 Measures	Q4 Measures	Comments
4	Direct the financial area staff	1. No major difficulties with the work done by financial area staff occurs – work is done as required and as scheduled. 2. Normal hiring and promotions occur in the financial area. 3. Any individual performance problems identified in the previous year's performance appraisals are resolved, through individual development, coaching or termination. 4. Any terminations proceed smoothly and do not lead to lawsuits in the courts. 5. Promotion from within is the normally the case, according to the succession plan. 6. New hires are either asked to leave during their probationary period, or are good fits to Widget's culture and become productive contributors (as measured through their Individual Performance Contracts and Performance Appraisals). 7. Work is done within approved head count and staff budgets. 8. On year end employee satisfaction survey, financial area staff averages are generally at the high end of the scale. Action plans to address any indicated problems are developed in collaboration with HR, and lead to improved results on the staff survey in these areas in the following year. **Achieved but** **Two of Junita's managers have department employee satisfaction averages that are significantly below the rest of the financial area. Junita will have to address their people management activities early in 2005 and resolve these difficulties.**				This is business as usual from year to year, reflecting Widgets commitment to its staff, their development and their performance.
		1. Individual Performance Contacts are signed by all staff by the middle of February. **Achieved.**			1. All Performance Appraisals are complete by the middle of December. **Achieved.** 2. All financial area staff bonus recommendations are approved by the CEO by beginning of the 3rd week in December. **Achieved.**	
5	Authorize the expenditure of funds for financial area activities	1. Financial area expenditures are on budget pretty much through the year. The total of financial area expenditures does not exceed the total budget for the financial area at year end, if extraordinary and unexpected circumstances have not occurred throughout the year. 2. If extraordinary and unexpected circumstances occur, which lead to the possibility of financial area expenditure above the 2004 budget, a business case is presented to the CEO and Executive Committee before the expenditures are made. If approved, these new amounts are reflected in the quarterly forecasts. 3. Junita demonstrates to the satisfaction of the CEO that financial area unit costs are decreasing on a year over year basis, as a result of an increase in productivity. 4. Quarterly forecasts reflect changing business circumstances and productivity gains. Decreases in projected spending from the total aggregate approved financial area budget occur whenever productivity increases or other circumstances allow it. **Achieved.** **In general, the financial area unit costs are going doing. The new software should lead to a substantial reduction in units costs in 2005. This will be an important part of Junita's 2005 Individual Performance Contract.**				This is business as usual from year to year, reflecting Widgets commitment to Operations Excellence.

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

Who: Junita Sanchez
Role: CFO
Date: December 13, 2004

Personal Performance Evaluation

Widgets Corporation
In Force: Fiscal 2004

#	Accountability (From RAAM)	Q1 Measures	Q2 Measures	Q3 Measures	Q4 Measures	Comments
6	Act as business sponsor and champion for IT project to replace all financial software with new integrated Financial and HR software package	1. The project proceeds according to the approved project plan. 2. If circumstances require it, changes to the project plan are presented to the CEO and the executive committee (and if needed to the board), if approved, they become part of the new project plan. 3. The other members of the Executive Committee agree that they have been adequately informed (in enough time to take steps to implement required changes in their areas to support the new financial and HR software package) about the project's impact on their areas over the course of the year. Achieved by year end. This was the rockiest area of Junita's overall performance in 2004. The project experienced significant difficulties. It took significant PERSONAL project management energy on Junita's part to get the project done by year end. It also required a modest increase in the project budget that may have been avoided if these difficulties had not occurred.			1. A project completion review is presented to the Executive Committee, identifying the difficulties experienced during the project, and suggested ways of avoiding them in future, if appropriate. Not Achieved – part of 2005 Q1 Performance Contract.	Junita has the IT staff reporting to her.
7	Participate in Widget's Executive Committee	1. During the CEO's year end informal 360 type conversations with the other members of the Executive Committee prior to Junita's performance appraisal, they express appreciation for the way in which Junita carries out this accountability. Generally, they find her participation thoughtful and effective. Achieved. In general, the other members of the Executive Committee value her perspective on issues. They also state that she is often helpful to them in informal ways, taking time to dialogue with about issues that they want to deal with outside of the Executive Committee. They generally see her as an ally, who is committed to achieving our Mission and Strategic Plan in a "partnering with them" way.				This is clearly a "get along with others" factor. It reflects Widgets' determination to have a culture which gets results without sacrificing getting along with others. There will be normal occurrences of issue based conflict and dispute during the year, but they does not become personally driven or disrespectful of others.

Signatures:

_____, J. Sanchez,CFO

_____, S. MacGregor, CEO

Who: Junita Sanchez
Role: CFO
Date: December 13, 2004

Personal Performance Evaluation

Widgets Corporation
In Force: Fiscal 2004

Overall Performance Rating

							XXX		
1	2	3	4	5	6	7	8	9	10
Totally Inadequate performance, less than 50% of performance measures achieved.		Achieved about 50% of performance measures, which may be acceptable in a new person in a new role but is accepted not for an established incumbent.		Achieved most performance measures (> 80%) and is able explain why rest not achieved this year and how this will addressed in coming year.		Achieved almost all performance measures. Clear reasons that are well understood and accepted by others exist for not achieving those that were missed.		Achieved all performance measures.	Accomplished more than set out in Individual Performance Contract. Clearly contributed in ways that exceed current role accountabilities.

Developmental Considerations

The IT project brought Junita into contact with the HR group in a significant way for the first time. It allowed her to get an understanding of the work and contribution of HR. In 2005, the Director of HR will report to Junita (instead of the CEO), so that the CEO can spend more time on other matters. Junita will have performance measures related to improving the day to day functioning of HR in her 2005 performance contract.

During 2005, she will also be asked to play more of an oversight role around legal issues, taking informal responsibility for managing the relationship with outside counsel. I, (the CEO) will pay a coaching role at first, since I have handled this relationship in the past years. As her knowledge in this area develops, her responsibility for this activity may become more formal. We may re-negotiate this part of her Individual Performance Contact at mid-year.

In order to make time for these new activities, Junita will have to increase the responsibilities of her direct reports, so that they take on more of what she does now. This will increase the need for her to delegate effectively, and to "monitor" their performance in a way that does not involve her in the actual day to day details of doing this work. These three activities – delegating effectively, developing others, and monitoring their performance in indirect ways - will be key to her future ability to take on broader responsibilities. The first step in this process will be to negotiate 2005 Individual Performance Contracts with them that make these changes clear to them. As well, she may want to focus her 2005 Personal Development Plan on increasing her ability in these competencies, as well as increasing her knowledge about HR and Legal.

Signatures:
_____, J. Sanchez,CFO
_____, S. MacGregor, CEO

3.0 Appendices

Appendix 1: The Four Levels of Learning: Behavioral Indicators

Appendix 2: Dialogue Facilitator Competency Map: For PPAs Dialogue Facilitators

Appendix 3: Competency Level Table

Appendix 1: The Four Levels of Learning: Behavioral Indicators

Based on Donald L. Kirkpatrick's "Evaluating Training Programs: The Four Levels" 1994, ISBN 1-881052049-4)

O – Not Aware and Not Skilled

Does not know about the skill. Not aware of the impact of the lack of capability.

1 – Awareness: Got the Concept: **Little or no experience**.

The concept is stored in the brain.
Passive knowledge. No or little ability to use or to apply the knowledge.
Knows that.

2 – Practice: **Can do with prompting, feedback, coaching from others.**

Actively practicing the technique.
Needs prompting as to when to use the skill.
Needs feedback and coaching in order to refine and to develop skill.
Beginning of know how.

3 – Behavior: **Can do independently of prompting, feedback, or coaching from others.**

Knows when to use the technique or skill without prompting.
Well onto way to doing technique as a smart habit.
Is unconsciously competent.
Accomplished know how.

4 – Results: **Expert. Can consistently get results using this technique.**

Can act a role model or coach for others learning the technique or acquiring the skill.
Can explain when, where, who, how and why to others.
Knows why.

Appendix 2: Dialogue Facilitator Competency Map: For PPAs Dialogue Facilitators

Core Competencies are absolutely essential. Specialized Competencies are specifically focused on the RAP process.

Core			**Specialized**		
Label	Description	Level	Label	Description	Level
Active Listening	Can restate what a person has just said in a way that leads that other person to confirm that you said exactly what I just said.	3 Behavior	**Effective Writing**	Produces a written document that summarizes and present back the main conclusions reached by two individuals in a meeting lasting 30 to 90 meetings, using a pre-established template in a word processor	3 Behavior
Accurate Paraphrasing	Can restate what a person has just said in a what that leads the other person to confirming, “that is what I mean”.	3 Behavior	**Individual Conflict Resolution**	Can guide two individuals through a series of dialogue exchanges that resolves a difference in perception or opinion that they are having to a result they both experiences as useful	2 Practice

Note: RAAM Dialogue Facilitators will have all of these competencies at the “4 Facilitates” level.
See the Competency Level Table in Appendix 3 for definitions of the levels.

Core			Specialized		
Label	Description	Level	Label	Description	Level
Accurate Summarization	Can summarize several statements made by one or more persons in a way that leads these people to confirm "that accurately summarizes what I (or we) said".	3 Delivers	**Decision Making Process Facilitation**	Can guide two individuals through a sequence of dialogue exchanges that allows them to make a joint decision even when their personal decision making styles are different (e.g. one person uses logic and analysis, and the other uses values and impact on people to make decisions.	2 Practices
Successful Reframing	Can re-state something in that a person has just said in a way that gives the other person a novel and useful perspective on what they have said – the restatement leads to more depth or better insight for that person	2 Practices	**Interpersonal Interaction Process Facilitation**	Can guide two individuals through the exploration of an issue through dialogue exchanges between them even when their personal interaction styles are different (e.g. one person uses verbalization to clarify ideas and opinions and the other person uses internal reflection to clarify ideas and options	2 Practices

Note: RAAM Dialogue Facilitators will have all of these competencies at the "4 Facilitates" level.
See the Competency Level Table in Appendix 3 for definitions of the levels.

Core		
Label	Description	Level
Accurate Recording	Can record what 1 or more person are saying (using flip chart paper, white boards or another technology) in a way that the other people find useful and accurate	3 Delivers
2 Person Dialogue Process Control	Can manage the dialogue between 2 people through the use of agendas, recording and verbal "process" interventions in a way that moves the task or the objective of the two people forward; they accept the process control and do not "resist" it or try to take this process control away from the facilitator	3 Delivers

Note: RAAM Dialogue Facilitators will have all of these competencies at the "4 Facilitates" level.
See the Competency Level Table in Appendix 3 for definitions of the levels.

Appendix 3: Competency Performance Level Grid

Level	Behavioral Indicator
0 - None	Demonstrates no ability: never exhibits behaviors, or exhibits behaviors in a haphazard way that that does not lead to useful next events.
1 – Is Aware	Show awareness of the behavior in dialogue and can explain the ideas and concepts underlying but never or seldom exhibits the behavior in a way that leads to useful next events.
2 - Practices	Demonstrates behavior in normal day-to-day situations, but gets confused or is does not produce useful next events in situations with business factor ambiguity (unclear cause and effect, high stakes, high risk) or interpersonal dynamics that involve some level of stress. Improves with coaching, guidance, and feedback from others.
3 – Delivers	Consistently demonstrates behavior in normal work situations, when all those involved have good intentions and there is minimal interpersonal conflict or extraordinary business stress.
4 – Facilitates	Consistently demonstrates behavior in all situations, producing events that are useful and helpful to the dialogue among participants, no matter what the interpersonal dynamics, or level of risk, stake, and stress.
5 – Mentors	Level 4 – Facilitates **plus** Consistently develops the competency in others, through role modeling, feedback, coaching, instruction, adapting of all of these to the individual learning needs of the other person.

There is a strong correlation between this Competency Performance Level Grid and the 4 Levels of Learning in Appendix One.

Both the Competency Map and the Competency Level Table are adapted to the needs of the RAP framework from more general WCI competency models.